

**RESOLUTION ESTABLISHING A PAYMENT POLICY
FOR SCHOOL IMPACT FEES ON AFFORDABLE HOUSING**

WHEREAS, the Board of Commissioners has previously adopted a school impact fee ordinance; and

WHEREAS, the Board of Commissioners has found that the support and encouragement of affordable renter and owner-occupied housing in the County of Durham is both necessary and expedient; and

WHEREAS, the expenditure of public funds for the support and encouragement of affordable housing is a proper public purpose; and

WHEREAS, this policy provides a uniform procedure for the determination of eligibility and payment of impact fees for nonprofit organizations providing affordable housing for renters and first-time homebuyers.

NOW, THEREFORE, THE BOARD OF COMMISSIONERS FOR THE COUNTY OF DURHAM DOTH RESOLVE:

1. Payment of school impact fees by the County may be provided, subject to availability of funds, for organizations which meet the following eligibility criteria:

- A. A 501(c)(3) nonprofit organization which develops Affordable Renter-Occupied Housing or Affordable Owner-Occupied Housing.
- B. Affordable Owner-Occupied Housing is defined as housing developed with assistance from a government program for first-time homebuyers with family incomes at or below 80% of the HUD published area median income for the Durham, North Carolina MSA, which housing is offered for sale and sold for no more than \$130,000.
- C. Affordable Renter-Occupied Housing is defined as housing developed with assistance from a government program requiring it to be affordable to households at or below 60% of the HUD area median income for the Durham, North Carolina MSA.
- D. An organization requesting the County to pay school impact fees must certify in writing that the Affordable Owner-Occupied Housing or the Affordable Renter-Occupied Housing will remain affordable to the anticipated beneficiary or beneficiaries for a period of five (5) years.

2. The following procedure shall be used for requesting payment of impact fees by the County:

- A. An organization requesting impact fee payment by the County must anticipate needs for a given fiscal year and submit a request for payment at the time for submission of the County's annual budget, non-departmental funding request. Further, at no time should an organization presume impact fees will be paid by the County. Therefore, the cost of impact fees should be considered when developing housing development projects and should be included in all grant and loan applications. For the FY 04 fiscal year, all requests must be submitted by January 31, 2004.
- B. A public hearing, in accordance with G.S. § 158-7.1, shall be held by the Board of Commissioners on all requests for payment.
- C. A written request for payment of the school impact fees shall be submitted to the Administrator of the School Impact Fee Program prior to the obtaining of the building permit. The request shall include all information necessary for a determination of eligibility, including a description of the anticipated beneficiary (the homeowner or renter), the estimated completion date, and the house selling price or rent to be charged, and the notice of award of the grant from the government program providing a subsidy to the developer or some other evidence satisfactory to the Administrator that the developer is using a government program which requires the housing to be affordable.
- D. All funding is subject to availability of appropriated funds in the County's budget. If insufficient funds are available to pay a request which has been properly submitted and approved as provided above, the Administrator shall promptly notify the applicant of the unavailability of funding. Applications for funding shall not carry over from one fiscal year to the next.
- E. Upon the receipt of a request for payment of school impact fees by the Administrator as provided in paragraph "C", the Administrator, upon determining that the applicant is eligible for the payment of the impact fees, shall issue a voucher to the applicant indicating the payment of the fees. The Tax Collector, upon presentation of the voucher by the nonprofit organization, shall credit the fees to the applicant.
- F. The payment of school impact fees by the County shall be credited without the actual transfer of monies into the school impact fee fund; provided, that sufficient funds are being paid by the County to the Schools or for the benefit of the Schools through other funding sources for additional school capacity which is in an amount equal to or greater than the total amount of school impact fees paid by the County for affordable housing under this policy for the current fiscal year. These other funding sources shall include any funds for additional school capacity in the current County budget for schools and funds for the payment of bonds issued after

the adoption of the Impact Fee Ordinance for additional school capacity.

- G. The nonprofit organization shall be and remain responsible for ensuring that the school impact fees are paid or that a voucher is delivered to the Tax Collector for the school impact fees.

3. This policy shall be effective on and after January 1, 2004.

This the ____ day of December, 2003.

(SEAL)

Teste: A true copy.

Garry Umstead
Clerk to the Board